IN THE MATTER OF AN OFFERING SHEET OF A ROYALTY INTEREST IN THE MCPHERSON-SCHEUCHZER FARM, FILED ON AUGUST 17, 1936, BY ROYALTY BROKERAGE COMPANY, RESPONDENT

SUSPENSION ORDER, ORDER FOR HEARING (UNDER RULE 340 (A)) AND ORDER DESIGNATING TRIAL EXAMINER

The Securities and Exchange Commission, having reasonable grounds to believe, and therefore alleging, that the offering sheet described in the title hereof and filed by the respondent named therein is incomplete or inaccurate in the following material respects, to wit:

1. In that in Item 3, Division III, it is not explained fully how each factor used in the volumetric calculation was determined for the particular tract;

2. In that in Item 3, Division III, reasons are neither stated nor explained for the use of each particular factor, in combination with each of the other factors used therein;

It is ordered, Pursuant to Rule 340 (a) of the Commission's General Rules and Regulations under the Securities Act of 1933, as amended, that the effectiveness of the filing of said offering sheet be, and hereby is, suspended until the 21st day of September 1936, that an opportunity for hearing be given to the said respondent for the purpose of determining the material completeness or accuracy of the said offering sheet in the respects in which it is herein alleged to be incomplete or inaccurate, and whether the said order of suspension shall be revoked or continued; and

It is further ordered, That Robert P. Reeder, an officer of the Commission be, and hereby is, designated as trial examiner to preside at such hearing, to continue or adjourn the said hearing from time to time, to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, consider any amendments to said offering sheet as may be filed prior to the conclusion of the hearing, and require the production of any books, papers, correspondence, memoranda, or other records deemed relevant or material to the inquiry, and to perform all other duties in connection therewith authorized by law; and

It is further ordered that the taking of testimony in this proceeding commence on the 5th day of September 1936 at 11:00 o'clock in the forenoon, at the office of the Securities and Exchange Commission, 18th Street and Pennsylvania Avenue, Washington, D. C., and continue thereafter at such times and places as said examiner may designate.

Upon the completion of testimony in this matter the examiner is directed to close the hearing and make his report to the Commission.

By the Commission.

[SEAL] FRANCIS P. BRASSOR, *Secretary.*

[F. R. Doc. 1891—Filed, August 24, 1936; 12:51 p. m.]

Wednesday, August 26, 1936 *No. 118*

TREASURY DEPARTMENT.

Bureau of Customs.

[T. D. 48489]

CUSTOMS REGULATIONS AMENDED—MARKING COUNTRY OF ORIGIN

ARTICLE 513 OF THE CUSTOMS REGULATIONS OF 1931, AS AMENDED, FURTHER AMENDED SO AS TO EXEMPT CERTAIN ARTICLES FROM INDIVIDUAL MARKING TO INDICATE THE COUNTRY OF ORIGIN

To Collectors of Customs and Others Concerned:

Pursuant to authority contained in section 304 of the Tariff Act of 1930 (U. S. C. title 19, sec. 1304), article 513 of the Customs Regulations of 1931 as amended by T. D.'s Nos. 45442, 45660, 47228, 47318, 47730, 47773, and 47558 is hereby further amended as follows:

Subdivision (5) of paragraph (a) is deleted and in lieu thereof there is inserted a new paragraph reading as follows:

(b) The following articles are hereby excepted from the marking requirements of section 304 of the Tariff Act (the immediate containers and packages to be marked):

T. D.'s 45442, 45660 (1) Crude substances or materials.

T. D.'s 47228, 47773 (2) Merchandise which is to be substantially changed in the importer's plant or for his account by further processing or manufacture which would obliterate or destroy such marking.

Paragraph (b) is redesignated paragraph (c).

[SEAL] FRANK DOW,
Acting Commissioner of Customs.

Approved, August 20, 1936.

WAYNE C. TAYLOR,
Acting Secretary of the Treasury.

[F. R. Doc. 1914—Filed, August 25, 1936; 12:39 p. m.]

Bureau of Internal Revenue.

[T. D. 4630]

BOND IN LIEU OF CONSENT OF OWNER OR LIENOR RESPECTING USE OF DISTILLERY PREMISES

To District Supervisors, and Others Concerned:

Pursuant to Section 3262 of the Revised Statutes, as amended by Section 2, Act of May 28, 1880 (U. S. C., 1934 ed., title 26, secs. 1166 (b) and 1353), and as further amended by Section 301 of the Liquor Tax Administration Act (Public, No. 815, 74th Congress), approved June 26, 1936, the following regulations are prescribed to govern the filing of bond by a distiller in lieu of the written consent of the owner of the fee, and of any mortgagee, judgment-creditor, or other lienor as to the use of the premises and apparatus for distilling and as to the priority of the tax lien and other interests of the United States, in cases where the distiller cannot obtain such written consent:

1. Any distiller who cannot obtain the written consent of the owner of the fee of the distillery premises, and of any mortgagee, judgment-creditor, or other person having a lien thereon, duly acknowledged, that the premises may be used for the purpose of distilling spirits, subject to the provisions of law, and expressly stipulating that the lien of the United States for taxes and penalties shall have priority of such mortgage, judgment, or other encumbrance, and that in case of the forfeiture of the distillery premises, or any part thereof, the title to the same shall vest in the United States discharged from such mortgage, judgment, or other encumbrance, may file an application, in triplicate, with the Commissioner of Internal Revenue, through the District Supervisor, for permission to file a bond in lieu of such written consent.

2. The application must contain (a) an accurate description of the lot or tract of land on which the distillery is situated, and of the distillery, the buildings, and the distilling apparatus thereon; (b) a full and clear statement of the condition of the title to the distillery premises and apparatus, including the name and address of the owner of the fee, and of all mortgagees, judgment-creditors, and other persons having liens thereon, together with the amount of each encumbrance; and (c) a full and clear statement of the reasons why the applicant cannot obtain the prescribed written consent.

3. Upon receipt of the application, the District Supervisor will cause the value of the lot or tract of land on which the distillery is situated, the distillery, the buildings, and the distilling apparatus to be appraised by two or more competent persons designated by him for the purpose. The appraisers will render a report showing separately the value of the land and buildings and the distilling apparatus, and containing a full and clear statement of the processes employed by them in determining their valuations. The District Supervisor may cause a reappraisal to be made, if, in his judgment, the valuation placed on the property by the appraisers is less than the fair value. The District Supervisor will also cause an investi-

gation to be made of the facts upon which the application is based.

4. The District Supervisor will, upon receipt and examination of the appraisal and investigation report or reports, forward a copy of the application and of each report to the Commissioner, with his recommendation and the reasons therefor. The Commissioner will notify the District Supervisor of his approval or disapproval of the application. If the Commissioner disapproves the application, a statement of the reasons for such disapproval will accompany the notice.

5. Where the giving of bond in lieu of the prescribed written consent has been approved by the Commissioner under these regulations, such bond shall be filed with the District Supervisor on Form 3A, in triplicate. The penal sum of the bond must be equal to the appraised value of the lot or tract of land on which the distillery is situated, the distillery, the buildings, and the distilling apparatus.

6. Bond on Form 3–A may be given with corporate surety authorized to act as surety by the Secretary of the Treasury, or with individual sureties (of which there must be two) or supported by the deposit of proper collateral.

7. The District Supervisor will forward all copies of bond on Form 3–A to the Commissioner with his recommendation. If the bond is approved by the Commissioner, two copies will be returned to the District Supervisor, who will send one copy to the principal and retain the other copy. If the bond is not approved, it will be returned, in triplicate, to the District Supervisor. The District Supervisor will forward all copies of disapproved bonds to the principal and will notify the surety or sureties.

8. The terms, conditions, and instructions contained in bond Form 3–A are hereby made a part of these regulations as fully and to the same extent as if incorporated herein at length.

9. The provisions of Treasury Decision 4651, paragraphs 50 to 71, inclusive, relating to Internal Revenue Bonded Warehouses, approved June 27, 1936, so far as applicable, are hereby extended to bonds furnished by distillers on Form 3–A.

10. Where the distiller has filed bond on Form 3–A in lieu of the prescribed written consent of the owner of the fee, and of any mortgagee, judgment-creditor, or other lienor, pursuant to approval of the Commissioner, such fact must be shown on the distiller's notice, Form 27–A, under the heading "Statement of present condition of title."

11. No lien shall attach to any lot or tract of land, distillery, building, or distilling apparatus, under the provisions of Section 3251 of the Revised Statutes, as amended (U. S. C., 1934, ed., title 26, sec. 1150 (e) (1)), by reason of distilling done during any period included within the term of any bond taken on Form 3–A under these regulations.

[SEAL] GUY T. HELVERING,
Commissioner of Internal Revenue.

Approved, August 21, 1936.

WAYNE C. TAYLOR,
Acting Secretary of the Treasury.

[F. R. Doc. 1915—Filed, August 25, 1936; 12:39 p. m.]

[T. D. 4681]

LIQUOR DEALERS—SPECIAL TAXES

To District Supervisors, Collectors of Internal Revenue, and Others Concerned:

Sections 323 and 324 of the Liquor Tax Administration Act (Public, No. 815; 74th Congress) provide as follows:

SEC. 323. Paragraph "Fourth" of section 3244 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 26; sec. 1394 (a) and (b) (1), and sec. 1398 (a) and (b)), is amended to read as follows:

FOURTH. (a) Retail dealers in liquors shall pay a special tax of $25. Every person who sells, or offers for sale, foreign or domestic distilled spirits, wines, or malt liquors, otherwise than as hereinafter provided, in less quantities than five wine-gallons to the same person at the same time, shall be regarded as a retail dealer in liquors: *Provided,* That the Commissioner of Internal Revenue may, by regulations, with the approval of the Secretary of the Treasury, provide for the issuance of a stamp denoting payment of such special tax as a "retail dealer in wines" or a "retail dealer in wines and malt liquors" if, as the case may be, wines only, or wines and malt liquors only, are sold by a retail dealer in liquors: *And provided further* That the tax required to be paid by this paragraph shall, in case of a retail drug store or pharmacy making sales of liquors through a duly licensed pharmacist, be designated as a "medicinal spirits stamp tax": *And provided further,* That any retail dealer in liquors or retail dealer in malt liquors whose business is such as to require him to travel from place to place in different States of the United States may, under regulations prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, procure a special-tax stamp "At Large" covering his activities throughout the United States with the payment of but one special tax as a retail dealer in liquors or as a retail dealer in malt liquors, as the case may be.

(b) Wholesale dealers in liquors shall pay a special tax of $100. Every person who sells, or offers for sale, foreign or domestic distilled spirits, wines, or malt liquors, otherwise than as hereinafter provided, in quantities of five wine-gallons or more to the same person at the same time, shall be regarded as a wholesale dealer in liquors: *Provided,* That the Commissioner of Internal Revenue may, by regulations, with the approval of the Secretary of the Treasury, provide for the issuance of a stamp denoting payment of such special tax as a "wholesale dealer in wines" or a "wholesale dealer in wines and malt liquors" if, as the case may be, wines only, or wines and malt liquors only, are sold by a wholesale dealer in liquors. A qualified wholesale dealer in liquors may not sell distilled spirits, wines, or malt liquors in quantities of less than five wine-gallons without incurring liability to special tax as a retail dealer in liquors. A qualified retail dealer in liquors may not sell such liquors in quantities of five wine-gallons or more to the same person at the same time without incurring liability to special tax as a wholesale dealer in liquors. But no distiller who has given the required bond and who sells only distilled spirits of his own production at the place of manufacture, or at the place of storage in bond, in the original packages to which the tax-paid stamps are affixed, shall be required to pay the special tax of a wholesale dealer in liquors on account of such sales.

(c) No retail dealer in liquors shall be held to be a wholesale dealer in liquors solely by reason of sales of five wine-gallons or more to the same person at the same time if such sales are for immediate consumption on the premises where sold.

(d) No wholesale or retail dealer in liquors who has paid the special tax as such a dealer shall again be required to pay special tax as such dealer on account of sales of beer, lager beer, ale, porter, or other similar fermented malt liquor to wholesale or retail dealers in liquors or wholesale or retail dealers in malt liquors consummated at the purchaser's place of business covered by the stamp issued to him to denote the payment of the special tax imposed upon such dealers.

SEC. 324. Paragraph "Fifth" of section 3244 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 26, secs. 1394 (d) 1394 (e) (1) and (2) 1396, and 1398 (d) and (e)) is amended to read as follows:

FIFTH. (a) Retail dealers in malt liquors shall pay a special tax of $20. Every person who sells, or offers for sale, malt liquors in less quantities than five gallons to the same person at the same time, and does not deal in distilled spirits or wines, shall be regarded as a retail dealer in malt liquors.

(b) Wholesale dealers in malt liquors shall pay a special tax of $50. Every person who sells, or offers for sale, malt liquors in quantities of five gallons or more, to the same person at the same time, and who does not deal in distilled spirits or wines at wholesale, shall be regarded as a wholesale dealer in malt liquors. A qualified wholesale dealer in malt liquors may not sell such liquors in quantities of less than five gallons without incurring liability to special tax as a retail dealer in malt liquors. A qualified retail dealer in malt liquors may not sell such liquors in quantities of five gallons or more to the same person at the same time without incurring liability to special tax as a wholesale dealer in malt liquors: Provided, That no brewer shall be obliged to pay special tax as a dealer by reason of selling in the original stamped hogsheads, barrels, or kegs, whether at the place of manufacture or elsewhere, malt liquors manufactured by him or purchased and procured by him in his own hogsheads, barrels, or kegs, under the provisions of section 3349 of the Revised Statutes, as amended, but the quantity of malt liquors so purchased shall be included in calculating the liability to brewers' special tax of both the brewer who manufacturers and sells the same and the brewer who purchases the same.

(c) No collection of special tax as a retail dealer in malt liquors shall be made from brewers for selling malt liquors of their own manufacture in the original stamped eighth-barrel packages.

(d) No special tax shall be held to accrue on a sale of distilled spirits, wines, or malt liquors made by a person who is not otherwise a dealer in liquors, where such spirits, wines, or liquors have been received by the person so selling as security for or in payment of a debt, or as executor, administrator, or other fiduciary, or have been levied on by any officer, under order or process of any court or magistrate, and where such spirits are sold by such person in one parcel only, or at public auction in parcels not less than twenty

wine-gallons, nor shall such tax be held to accrue on a sale made by a retiring partner, or the representatives of a deceased partner to the incoming, remaining, or surviving partner or partners of a firm. Nor shall the special tax of a wholesale dealer in liquors or wholesale dealer in malt liquors be held to apply to a retail dealer in liquors or a retail dealer in malt liquors, because of such retail dealer selling out his entire stock of liquors in one parcel, or in parcels embracing not less than his entire stock of distilled spirits, of wines, or of malt liquors. Section 3319 of the Revised Statutes shall not be held to prohibit a rectifier or liquor dealer from purchasing, in quantities greater than twenty wine-gallons, the distilled spirits sold in one parcel as aforesaid.

(e) No retail dealer in malt liquors shall be held to be a wholesale dealer in malt liquors solely by reason of sales of five gallons or more to the same person at the same time if such sales are for immediate consumption on the premises where sold.

(f) No wholesale or retail dealer in malt liquors who has paid the special tax as such a dealer shall again be required to pay special tax as such dealer on account of sales of beer, lager beer, ale, porter, or other similar fermented malt liquor to wholesale or retail dealers in liquors or wholesale or retail dealers in malt liquors consummated at the purchaser's place of business covered by the stamp issued to him to denote the payment of the special tax imposed upon such dealers.

(g) Notwithstanding the foregoing provisions of this section, each person making sales of fermented malt liquor to the members, guests, or patrons of bona-fide fairs, reunions, picnics, carnivals, or other similar outings, and each fraternal, civic, church, labor, charitable, benevolent, or ex-service men's organization making sales of fermented malt liquor on the occasion of any kind of entertainment, dance, picnic, bazaar, or festival, held by it, if such person or organization is not otherwise engaged in business as a dealer in malt liquors, shall pay, before any such sales are made and in lieu of the special tax imposed by subdivision (a) of this paragraph, a special tax of $2 as a retail dealer in malt liquors, for each calendar month in which any such sales are made.

In accordance with the provisions of Sections 323 and 324 of the Liquor Tax Administration Act, the following regulations are prescribed:

1. Persons who deal in wholesale or retail quantities, as defined by the statute, of wines only, or wines and malt liquors only, may procure special-tax stamps as Wholesale or Retail Dealer in Wines, or Wholesale or Retail Dealer in Wines and Malt Liquors, as the case may be.

2. A retail drug store or pharmacy making sales of liquors through a duly licensed pharmacist shall procure a special-tax stamp designated "Medicinal Spirits Stamp Tax", or a special-tax stamp as retail liquor dealer.

3. (a) A retail liquor dealer or retail dealer in malt liquors whose business is transient and is such as to require him to move his place of business from place to place in different States of the United States may procure a special-tax stamp "At Large" covering his activities throughout the United States with the payment of but one special tax as a retail liquor dealer or as a retail dealer in malt liquors, as the case may be.

(b) A retail liquor dealer or retail dealer in malt liquors who desires a special-tax stamp "At Large" will so note on Form 11 filed with the Collector of Internal Revenue to whom the special tax is paid, and will state thereon the nature of his business. Before issuing a special-tax stamp "At Large", the Collector will satisfy himself that the applicant is entitled to obtain a stamp so designated.

(c) Any person holding a special-tax stamp as a retail liquor dealer or a retail dealer in malt liquors "At Large", must place and keep the stamp conspicuously posted at the place where he is conducting such business, or, if he is conducting such business at more than one place on the same premises, such as at stands within a baseball park or race track, then the special-tax stamp must be posted at one of such places.

(d) A retail liquor dealer or retail dealer in malt liquor, holding a special-tax stamp marked "At Large" by a Collector, is not required to register with any Collector a change of location of his place of business.

4. A retail liquor dealer shall not be required to pay special tax as wholesale liquor dealer by reason of making sales of liquors in quantities of five wine gallons or more to the same person at the same time if such sales are for immediate consumption on the premises where sold.

5. A retail dealer in malt liquors shall not be required to pay special tax as wholesale dealer in malt liquors by reason of making sales of malt liquors in quantities of five gallons or more to the same person at the same time if such sales are for immediate consumption on the premises where sold.

6. Wholesale and retail dealers in liquors, and wholesale and retail dealers in malt liquors, who have paid special tax as such, may, without incurring liability for additional special tax, sell beer, ale, porter, or other similar fermented malt liquors, to wholesale and retail dealers in liquors and wholesale and retail dealers in malt liquors, at the purchaser's place of business covered by appropriate special-tax stamp.

7. (a) Persons desiring to sell fermented malt liquors at retail to members, guests, or patrons of bona-fide fairs, reunions, picnics, carnivals, or other similar outings, and each fraternal, civic, church, labor, charitable, benevolent, or ex-service men's organization making sales of fermented malt liquor on the occasion of any kind of entertainment, dance, picnic, bazaar, or festival, held by it, may obtain a retail dealer in malt liquor limited special-tax stamp from the Collector of Internal Revenue for each calendar month in which any such sales are made.

(b) Application shall be made on Form 11 and payment of $2.00 made to the Collector before any such sales are made.

(c) No person or organization otherwise engaged in business as a dealer in malt liquors will be permitted to procure a limited special-tax stamp as retail dealer in malt liquor.

[SEAL] GUY T. HELVERING,
Commissioner of Internal Revenue.

Approved, August 21, 1936.

WAYNE C. TAYLOR,
Acting Secretary of the Treasury.

[F. R. Doc. 1916—Filed, August 25, 1936; 12:39 p. m.]

DEPARTMENT OF COMMERCE.

Bureau of Air Commerce.

[Aeronautics Bulletin No. 7-H—Amendment No. 1]

AIR COMMERCE REGULATIONS

ALTERATION AND REPAIR OF AIRCRAFT

Pursuant to Air Commerce Act of 1926 (44 Stat. 568), as amended, Aeronautics Bulletin 7-H, Edition of January 1, 1936, is hereby amended as follows:

(I) Delete contents of Sections 36 (A) (9), 40 (A) (10), 41 (A) (11), 42 (A) (10), 44 (A) (13), and 46 (A) (21) and substitute therefor the following:

36 (A) (9). Magnifying glass at least 4–6 power.
40 (A) (10). Magnifying glass at least 4–6 power.
41 (A) (11). Magnifying glass at least 4–6 power.
42 (A) (10). Magnifying glass at least 4–6 power.
44 (A) (13). Magnifying glass at least 4–6 power.
46 (A) (21). Magnifying glass at least 4–6 power.

(II) Delete contents of Section 47 (A) (1) to (6), incl., and substitute therefor the following:

(1) Airspeed indicator test apparatus:

(a) Manometer (inch in tenths scale with a light liquid such as water or kerosene).
(b) Pressure pump (sensitive bulb type).
(c) Vibrator.
(d) Four-way stop-cock with suitable length hose for connections.
(e) Stand for supporting indicator.

(2) Altimeter test apparatus:

(a) Manometer (mercury) mm scale.
(b) Vacuum pump.
(c) Bell jar.
(d) Vacuum pump plate.
(e) Ascent and descent rate indicator.
(f) Mounting panel.
(g) Vibrator with momentary switch.

(2) Altimeter test apparatus—Continued.

(h) Four way stop cock with suitable metering valves and suitable length hose for connections.
(i) Pressure altitude chart (millimeters and feet).
(j) Vacuum wax.
(k) Barometer.

(3) Altimeter test apparatus:

(a) Manometer (mercury) mm scale.
(b) Vacuum pump.
(c) Bell jar.
(d) Vacuum pump plate.
(e) Ascent and descent rate indicator.
(f) Mounting panel.
(g) Vibrator with momentary switch.
(h) Four way stop cock with suitable metering valves and suitable length hose for connections.
(i) Pressure altitude chart (millimeters and feet).
(j) Vacuum wax.
(k) Barometer.
(l) Stop watch.

(4) Compass compensation equipment (for testing either magnetic or induction compasses) should include either (a), or in lieu thereof, (b), (c), (d), and (e) of the following:

(a) Magnetic compass equipped with removable compensating magnets.

NOTE.—Any serviceable magnetic compass equipped with removable compensating magnets may be used as a master compass, provided the compensating magnets are removed before being used. In no case will a compass, having compensating magnets permanently installed, be used as a master compass.

(b) A circular swinging base having a radius at least equal to the length of the largest airplane to be swung.

NOTE.—The platform should be situated not less than 75 yards from any aircraft and at least 100 yards from any steel structures such as hangars or railroads. Starting with the magnetic north, radii should be laid out every 30°.

(c) Special dolly for elevating the tail to approximately flying position.

NOTE.—The dolly must be rigid and strong enough to hold the airplane while the engine is running at half throttle.

(d) Pair of single-wheel blocks.
(e) Several 50 pound sand bags.

NOTE.—For putting across the rear of the fuselage of nose-heavy airplanes.

(5) Tachometer test stand:

(a) Veedor liquid tachometer.
(b) Gear box for driving tachometer being tested.
(c) Balance wheel to prevent sudden changes in speed.
(d) Variable speed electric motor.

Reference: "Airplane Instruments", Air Corps Technical School Department of Mechanics Manual.

(III) Beneath Figure 11, page 39, add the following note:

Dimension "A" is the width of the spar *excluding* reenforcing plates.

Approved, to take effect September 1, 1936.

[SEAL] J. M. JOHNSON,
Acting Secretary of Commerce.

[F. R. Doc. 1923—Filed, August 25, 1936; 12:47 p. m.]

FEDERAL EMERGENCY ADMINISTRATION OF PUBLIC WORKS.

[Administrative Order No. 161]

LICENSE OR ROYALTY FEES FOR THE PRIVILEGE OF USING A PROCESS PROTECTED BY PATENT RIGHTS. P. W. A. NON-FEDERAL PROJECTS

AUGUST 18, 1936.

1. It is the policy of the Federal Emergency Administration of Public Works to allow the inclusion of reasonable license or royalty fees in the project costs for P. W. A. non-Federal N. R. A., E. R. A., and F. D. A. projects where such fees are for the privilege of using any patented process. It is permissible to include such fees in the *grant base* for P. W. A. non-Federal E. R. A. and F. D. A. projects only.

2. License or royalty fees should be fair and reasonable. The necessity for using the process and the reasonableness of the fees must be fully justified. Such fees must be paid to the holder of the patent or his authorized licensee by the Owner of the project and not by the contractor or contractors engaged to construct the project.

3. The amount of the license or royalty fees should be set forth as a separate entry in Item 3 of the standard Classification of Estimated Project Costs.

4. The Owner of a project must be protected in the construction, maintenance, and operation thereof by a suitable agreement with the holder of the patent or his authorized licensee, for the privilege of using the process covered by patent rights, and the agreement must remain in force during the life of the project. The agreement is subject to the approval of the State Director.

5. The request of each Owner for authorization to utilize any stated amount of an allotment to pay for the privilege of using any patented process in connection with a project must be directed to the State Director who shall transmit the same to the central office for approval, accompanying such request with a written memorandum of his recommendations, which memorandum and the envelope containing same shall be marked "Attention: Director, Engineering Division."

6. This Order is issued under authority of Executive Order No. 7064, of June 7, 1935.

HAROLD L. ICKES, *Administrator.*

[F. R. Doc. 1908—Filed, August 24, 1936; 2:03 p. m.]

FEDERAL HOME LOAN BANK BOARD.

Federal Savings and Loan Insurance Corporation.

BONDS FOR OFFICERS, DIRECTORS, AND EMPLOYEES OF FEDERAL SAVINGS AND LOAN ASSOCIATIONS

Be it resolved, That pursuant to the authority vested in the Board by Section 5 (a) of the Home Owners' Loan Act of 1933 (48 Stat. 132; U. S. Code, Title 12, Section 1464), Section 12 of the Rules and Regulations for Federal Savings and Loan Associations is amended to read as follows:

SEC. 12 (a) Each Federal savings and loan association shall provide a fidelity bond covering each officer, director, or employee who has control over or access to cash or securities of such association. Such bond may be in the form of individual bonds on individual employees, a schedule fidelity bond or a blanket bond covering all such persons. Each such bond shall be executed by a responsible surety company or organization acceptable to the Board in amounts as follows: (1) for associations with assets up to $1,250,000, $2,500, or 2 per cent of the assets of the association, whichever is greater; (2) for associations with assets from $1,250,000 to $2,500,000, $25,000; (3) for associations with assets over $2,500,000 and not over $5,000,000, 1 per cent of the assets of the association; (4) for associations with assets over $5,000,000 and not over $10,000,000, $50,000; (5) for associations with assets over $10,000,000 and not over $20,000,000, ½ of 1 per cent of the assets of the association; (6) for associations with assets equal to or in excess of $20,000,000, $100,000. Such bond shall be approved by the board of directors of the association and the premium thereon shall be paid by it. The bond shall be placed in the custody of the Federal home loan bank of which the association is a member. The receipt for the bond shall be at all times in the possession of the association.

(b) Upon application of any association to the Federal Home Loan Bank Board, together with a statement of the duties and responsibilities of its officers or employees, the Federal Home Loan Bank Board may approve a bond on a different basis. In lieu of the bond provided in subsection (a), in the case of collection agents outside the office or offices of the association, a bond may be provided in an amount at least twice the average monthly collections of such agents, provided such agents shall be required to make settlement with the association at least monthly and provided such bond is approved by the Board of Directors of the Association. In the case the collection agent or agents are banks insured by the Federal Deposit Insurance Corporation or institutions insured by the Federal Savings and Loan Insurance Corporation no bond coverage will be required for these particular collection agents.

[SEAL] H. R. TOWNSEND, *Assistant Secretary.*

[F. R. Doc. 1910—Filed, August 25, 1936; 10:30 a. m.]

BONDS FOR OFFICERS, DIRECTORS, AND EMPLOYEES OF INSURED INSTITUTIONS

Be it resolved, That pursuant to the authority vested in the Board of Trustees of Federal Savings and Loan Insurance Corporation by Sections 402 (a) and 403 (b) of the National Housing Act (48 Stat. 1246, 1256, 1257), as amended, Section 15 of the Rules and Regulations for Insurance of Accounts is amended to read as follows:

SEC. 15. (a) Each insured institution shall provide a fidelity bond covering each officer, director, or employee who has control over or access to cash or securities of such institution. Such bond may be in the form of individual bonds on individual employees, a schedule fidelity bond or a blanket bond covering all such persons. Each such bond shall be executed by a responsible surety company or organization acceptable to the Board in amounts as follows: (1) for associations with assets up to $1,250,000, $2,500 or 2 per cent of the assets of the association, whichever is greater; (2) for associations with assets from $1,250,000 to $2,500,000, $25,000; (3) for associations with assets over $2,500,000 and not over $5,000,000, 1 per cent of the assets of the association; (4) for associations with assets over $5,000,000 and not over $10,000,000, $50,000; (5) for associations with assets over $10,000,000 and not over $20,000,000, ½ of 1 per cent of the assets of the association; (6) for associations with assets equal to or in excess of $20,000,000, $100,000. Such bond shall be approved by the board of directors of the insured institution and the premium thereon shall be paid by it.

(b) Upon application of any insured institution to the Corporation, together with a statement of the duties and responsibilities of its officers or employees, the Board of Trustees may approve a bond on a different basis. In lieu of the bond provided in subsection (a), in the case of collection agents outside the office or offices of the insured institution, a bond may be provided in an amount at least twice the average monthly collections of such agents, provided such agents shall be required to make settlement with the association at least monthly and provided such bond is approved by the Board of Directors of the insured institution. In the case the collection agent or agents are banks insured by the Federal Deposit Insurance Corporation or institutions insured by the Federal Savings and Loan Insurance Corporation no bond coverage will be required for these particular collection agents.

[SEAL] H. R. TOWNSEND, *Assistant Secretary.*

[F. R. Doc. 1911—Filed, August 25, 1936; 10:40 a. m.]

INTERSTATE COMMERCE COMMISSION.

ORDER

At a Session of the Interstate Commerce Commission, Division 5, held at its office in Washington, D. C., on the 20th day of August A. D. 1936.

[Docket No. BMC 50599]

APPLICATION OF LUBY LISTON PORTER FOR AUTHORITY TO OPERATE AS A COMMON CARRIER

In the Matter of the Application of Luby Liston Porter, of Clinton, N. C., for a Certificate of Public Convenience and Necessity (Form BMC 8, New Operation), Authorizing Operation as a Common Carrier by Motor Vehicle in the Transportation of Commodities Generally, in Interstate Commerce, From and Between Points in the States of North Carolina, South Carolina, Virginia, Maryland, Pennsylvania, and New York, Over Irregular Routes

It appearing, That the above-entitled matter is one which the Commission is authorized by the Motor Carrier Act, 1935, to refer to an examiner:

It is ordered, That the above-entitled matter be, and it is hereby, referred to Examiner W. W. McCaslin for hearing and for the recommendation of an appropriate order thereon, to be accompanied by the reasons therefor;

It is further ordered, That this matter be set down for hearing before Examiner W. W. McCaslin, on the 21st day of September A. D. 1936, at 9 o'clock a. m. (standard time), at the U. S. Court Rooms, Charlotte, N. C.

It is further ordered, That notice of this proceeding be duly given.

And it is further ordered, That any party desiring to be notified of any change in the time or place of the said hearing (at his own expense if telegraphic notice becomes necessary) shall advise the Bureau of Motor Carriers of the Commission, Washington, D. C., to that effect by notice which must reach the said Bureau within 10 days from the date of service hereof and that the date of mailing of this notice shall be considered as the time when said notice is served.

By the Commission, division 5.

[SEAL] GEORGE B. MCGINTY, *Secretary.*

[F. R. Doc. 1913—Filed, August 25, 1936; 11:50 a. m.]

RURAL ELECTRIFICATION ADMINISTRATION.

ALLOCATION OF FUNDS FOR LOANS

ADMINISTRATIVE ORDER NO. 13

AUGUST 22, 1936.

By virtue of the authority vested in me by the provision of Section 4 of the Rural Electrification Act of 1936, I hereby allocate, from the sums authorized by said Act, funds for loans for the projects and in the amounts as set forth in the following schedule:

Project Designation	*Amount*
Arizona 4 Pinal	$145,000
Iowa 14 Humboldt	245,000
Iowa 30 Franklin	418,000
Minnesota 1 Kanabec	81,000
Wyoming 10 Platte	65,000
Iowa 13 Winnebiek	33,500

MORRIS L. COOKE, *Administrator.*

[F. R. Doc. 1909—Filed, August 25, 1936; 9:04 a. m.]

SECURITIES AND EXCHANGE COMMISSION.

United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 21st day of August A. D. 1936.

[File No. 2-2384]

IN THE MATTER OF MERGRAF OIL PRODUCTS CORPORATION

ORDER FIXING TIME AND PLACE OF HEARING UNDER SECTION 8 (D) OF THE SECURITIES ACT OF 1933, AS AMENDED, AND DESIGNATING OFFICER TO TAKE EVIDENCE

It appearing to the Commission that there are reasonable grounds for believing that the registration statement filed by Mergraf Oil Products Corporation under the Securities Act of 1933, as amended, includes untrue statements of material facts and omits to state material facts required to be stated therein and material facts necessary to make the statements therein not misleading,

It is ordered, that a hearing in this matter under Section 8 (d) of said Act, as amended, be convened on September 1, 1936, at 2 o'clock in the afternoon, in Room 1101, Securities and Exchange Commission Building, 1778 Pennsylvania Avenue NW., Washington, D. C., and continue thereafter at such times and places as the officer hereinafter designated may determine; and

It is further ordered, that Allen MacCullen, an officer of the Commission, be and he hereby is designated to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, or other records deemed relevant or material to the inquiry, and to perform all other duties in connection therewith authorized by law.

Upon the completion of testimony in this matter, the officer is directed to close the hearing and make his report to the Commission.

By the Commission.

[SEAL] FRANCIS P. BRASSOR, *Secretary.*

[F. R. Doc. 1922—Filed, August 25, 1936; 12:44 p. m.]

United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 22nd day of August A. D. 1936.

[File No. 2-2343]

IN THE MATTER OF REGISTRATION STATEMENT OF THRIFT INVESTMENT CERTIFICATE CORPORATION

ORDER FIXING TIME AND PLACE OF HEARING UNDER SECTION 8 (D) OF THE SECURITIES ACT OF 1933, AS AMENDED, AND DESIGNATING OFFICER TO TAKE EVIDENCE

It appearing to the Commission that there are reasonable grounds for believing that the registration statement filed by Thrift Investment Certificate Corporation under the Securities Act of 1933, as amended, includes untrue statements of material facts and omits to state material facts required to be stated therein and material facts necessary to make the statements therein not misleading.

It is ordered, that a hearing in this matter under Section 8 (d) of said Act, as amended, be convened on September 3, 1936, at 10:00 o'clock in the forenoon, in Room 1103, Securities and Exchange Commission Building, 1778 Pennsylvania Avenue NW., Washington, D. C., and continue thereafter at such times and places as the officer hereinafter designated may determine; and

It is further ordered, that Robert P. Reeder, an officer of the Commission be, and he hereby is, designated to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, or other records deemed relevant or material to the inquiry, and to perform all other duties in connection therewith authorized by law.

Upon the completion of testimony in this matter, the officer is directed to close the hearing and make his report to the Commission.

By the Commission.

[SEAL] FRANCIS P. BRASSOR, *Secretary.*

[F. R. Doc. 1917—Filed, August 25, 1936; 12:43 p. m.]

United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 24th day of August A. D. 1936.

IN THE MATTER OF AN OFFERING SHEET OF A ROYALTY INTEREST IN THE MAGNOLIA-METROPOLITAN FARM, FILED ON JULY 20, 1936, BY CONTINENTAL INVESTMENT CORPORATION, RESPONDENT

ORDER FOR CONTINUANCE

The Securities and Exchange Commission, having been requested by its counsel for a continuance of the hearing in the above entitled matter, which was last set to be heard at 1:00 o'clock in the afternoon of the 24th day of August at the office of the Securities and Exchange Commission, 18th Street and Pennsylvania Avenue, Washington, D. C., and it appearing proper to grant the request;

It is ordered, pursuant to Rule VI of the Commission's Rules of Practice under the Securities Act of 1933, as amended, that the said hearing be continued to 2:00 o'clock in the afternoon of the 25th day of August at the same place and before the same trial examiner.

By the Commission.

[SEAL] FRANCIS P. BRASSOR, *Secretary.*

[F. R. Doc. 1921—Filed, August 25, 1936; 12:44 p. m.]

United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 24th day of August A. D. 1936.

IN THE MATTER OF AN OFFERING SHEET OF A ROYALTY INTEREST IN THE CARTER-SMITH FARM, FILED ON AUGUST 6, 1936, BY GENERAL INDUSTRIES CORP., LTD., RESPONDENT

ORDER TERMINATING PROCEEDING AFTER AMENDMENT

The Securities and Exchange Commission finding that the offering sheet filed with the Commission, which is the subject of this proceeding, has been amended, so far as necessary, in accordance with the Suspension Order previously entered in this proceeding:

It is ordered, pursuant to Rule 341 (d) of the Commission's General Rules and Regulations under the Securities Act of 1933, as amended, that the amendment received at the office of the Commission on August 21, 1936, be effective as of August 21, 1936; and

It is further ordered, that the Suspension Order, Order for Hearing, and Order Designating a Trial Examiner, heretofore entered in this proceeding, be and the same hereby are revoked and the said proceeding terminated.

By the Commission.

[SEAL] FRANCIS P. BRASSOR, *Secretary.*

[F. R. Doc. 1919—Filed, August 25, 1936; 12:43 p. m.]

United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 24th day of August A. D. 1936.

IN THE MATTER OF AN OFFERING SHEET OF A ROYALTY INTEREST IN THE LANDGREBE-VOLLERS FARM, FILED ON AUGUST 7, 1936, BY JAMES R. HAYNES, RESPONDENT

ORDER TERMINATING PROCEEDING AFTER AMENDMENT

The Securities and Exchange Commission finding that the offering sheet filed with the Commission, which is the subject of this proceeding, has been amended, so far as necessary, in accordance with the Suspension Order previously entered in this proceeding:

It is ordered, pursuant to Rule 341 (d) of the Commission's General Rules and Regulations under the Securities Act of 1933, as amended, that the amendment received at the office of the Commission on August 21, 1936, be effective as of August 21, 1936; and

It is further ordered, that the Suspension Order, Order for Hearing, and Order Designating a Trial Examiner, heretofore

entered in this proceeding, be, and the same hereby are, revoked and the said proceeding terminated.

By the Commission.

[SEAL] FRANCIS P. BRASSOR, *Secretary.*

[F. R. Doc. 1920—Filed, August 25, 1936; 12:43 p. m.]

United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 24th day of August A. D. 1936.

IN THE MATTER OF AN OFFERING SHEET OF A ROYALTY INTEREST IN THE BRITISH-AMERICAN-McNABB PARK COMMUNITY FARM, FILED ON AUGUST 19, 1936, BY LOUIS BERNSTEIN, RESPONDENT

SUSPENSION ORDER, ORDER FOR HEARING (UNDER RULE 340 (A)), AND ORDER DESIGNATING TRIAL EXAMINER

The Securities and Exchange Commission, having reasonable grounds to believe, and therefore alleging, that the offering sheet described in the title hereof and filed by the respondent named therein is incomplete or inaccurate in the following material respects, to wit:

1. In that the first three paragraphs on Page 1, Division I, have not been given extra prominence over the balance of Division I as required;

2. In that Item 13, Division II, has not stated that the discovery well was plugged back and completed as a gas well in July 1931 and has not since produced oil;

3. In that in Item 13, Division II, the producing formations and the other fields, used for comparative purposes, are not named;

4. In that in Item 13, Division II, the statements made regarding gas volumes and attendant pressures apply to the older part of the field and nothing is said about the initial pressure in the north extension, in which the tract offered is located;

5. In that in Item 13, Division II, the ultimate recovery of oil per acre that is usual in most fields is not stated;

It is ordered, pursuant to Rule 340 (a) of the Commission's General Rules and Regulations under the Securities Act of 1933, as amended, that the effectiveness of the filing of said offering sheet be, and hereby is, suspended until the 23rd day of September 1936 that an opportunity for hearing be given to the said respondent for the purpose of determining the material completeness or accuracy of the said offering sheet in the respects in which it is herein alleged to be incomplete or inaccurate, and whether the said order of suspension shall be revoked or continued; and

It is further ordered, that Robert P. Reeder, an officer of the Commission be, and hereby is, designated as trial examiner to preside at such hearing, to continue or adjourn the said hearing from time to time, to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, consider any amendments to said offering sheet as may be filed prior to the conclusion of the hearing, and require the production of any books, papers, correspondence, memoranda, or other records deemed relevant or material to the inquiry, and to perform all other duties in connection therewith authorized by law; and

It is further ordered, that the taking of testimony in this proceeding commence on the 8th day of September 1936 at 11:00 o'clock in the forenoon, at the office of the Securities and Exchange Commission, 18th Street and Pennsylvania Avenue, Washington, D. C., and continue thereafter at such times and places as said examiner may designate.

Upon the completion of testimony in this matter the examiner is directed to close the hearing and make his report to the Commission.

By the Commission.

[SEAL] FRANCIS P. BRASSOR, *Secretary.*

[F. R. Doc. 1918—Filed, August 25, 1936; 12:43 p. m.]

Thursday, August 27, 1936 *No. 119*

TREASURY DEPARTMENT.

Bureau of Customs.

[T. D. 48480]

CUSTOMS REGULATIONS AMENDED—DRAWBACK

ARTICLES 1020, 1021, AND 1022 (B), RELATING, RESPECTIVELY, TO IDENTIFICATION OF IMPORTED MERCHANDISE, USE OF SUBSTITUTED MATERIAL, AND APPLICATIONS FOR ALLOWANCE OF DRAWBACK ON VESSELS BUILT FOR FOREIGN ACCOUNT AND OWNERSHIP, AMENDED

To Collectors of Customs and Others Concerned:

Pursuant to the authority contained in Section 251, Revised Statutes (U. S. C., title 19, sec. 66); and Sections 313 (i) (U. S. C., title 19, sec. 1313 (i)) and 624 (U. S. C., title 19, sec. 1624) of the Tariff Act of 1930, Articles 1020, 1021, and 1022 (b) of the Customs Regulations of 1931 are hereby amended as follows:

Article 1020 is amended to read as follows:

ART. 1020. *Identification of imported merchandise and ascertainment of quantities entitled to drawback.*—(a) Each manufacturer or producer shall keep records which will establish as to all articles manufactured or produced for exportation with benefit of drawback, the date or inclusive dates of manufacture or production, the quantity and identity of the imported duty-paid merchandise or of articles manufactured or produced under drawback regulations (described hereafter in this article as drawback products) used, the quantity and description of the articles manufactured or produced, and the quantity of waste incurred. If claim for wastage is waived, the manufacturer or producer shall keep records which will establish the quantity and identity of the imported duty-paid merchandise or drawback products appearing in the articles manufactured or produced, in which case records need not be kept of either the quantity of waste incurred or of the quantity of imported duty-paid merchandise or drawback products used, unless such records are necessary to enable the manufacturer or producer to establish the quantity of imported duty-paid merchandise or drawback products appearing in the articles. When the waste has a value, and the manufacturer or producer has not limited its claims to the quantity of imported duty-paid merchandise or drawback products appearing in the articles, the records shall show the value of the imported duty-paid merchandise or drawback products used and the value of the waste, in order that in the liquidation of the drawback entry the quantity of imported duty-paid merchandise or drawback products used may be reduced by the quantity thereof which the value of the waste will replace. The records of the manufacturer or producer shall also show the quantity of duty-free or domestic merchandise used, if any, when such records are necessary to the determination of the quantity of imported duty-paid merchandise or drawback products used in the manufacture or production of the articles or appearing therein. A sworn abstract of the records kept by the manufacturer or producer shall be filed with the drawback entry.

(b) The imported duty-paid merchandise or drawback products shall be stored in a manner which will enable the manufacturer or producer to determine, in conjunction with its storage records, the import entry, certificate of delivery, or certificate of manufacture and delivery number or numbers under which received, and to establish the identity of the imported duty-paid merchandise or drawback products (with respect to such import entry, certificate of delivery, or certificate of manufacture and delivery number or numbers) used in the manufacture or production of the articles, and whether such articles have been exported (or shipped to the Philippine Islands) within three years after importation of the imported duty-paid merchandise.

(c) The articles manufactured or produced shall be stored or marked in a manner which will preserve the identification established by means of the storage records and the records of manufacture or production.

(d) When identification is made against several lots of imported merchandise of different dutiable values, or subject to different rates of duty, or drawback products subject to different allowances of drawback, the drawback shall be based first upon the lot or lots of the lowest dutiable value, rate of duty, or drawback allowance, as the case may be, then upon the lot or lots of the next higher dutiable value, rate of duty, or drawback allowance, and so on, from lower to higher, until all the lots concerned have been accounted for. The same principle shall apply in cases where the articles, after manufacture or production, are commingled in storage.

(e) Builders of vessels upon which drawback is to be claimed under Section 313 (g) shall keep the records provided for in this article, so far as applicable. A sworn abstract of such records shall be filed with the collector of customs at the headquarters port of